

RETENTION DATE: December 31, 1998

TO: HEADS OF GOVERNMENT DEPARTMENTS, AGENCIES, AND OTHERS CONCERNED

SUBJECT: PERCENTAGE RATE

1. PURPOSE

This Treasury Financial Manual (TFM) bulletin publishes the percentage rate, based on the current value of funds to Treasury to be used (1) in assessing interest charges for outstanding debts on claims owed the Government under Charges for Late Payments and in the Debt Collection Act of 1982 (Public Law 97-365) and (2) as a comparison point in evaluating the cost-effectiveness of a cash discount. (See I TFM 6-8000, paragraphs "Charges for Late Payments" and "Cash Discounts.") The Current Value of Funds Rate will be published in a TFM bulletin annually.

2. RESCISSION

This bulletin rescinds TFM Bulletin No. 97-02.

3. RATE FOR CHARGES ON LATE PAYMENTS AND COMPARISON POINT FOR CASH DISCOUNTS

The percentage rate to be applied during the period January 1 through December 31, 1998, is 5.00 percent.

4. EFFECTIVE DATE

January 1, 1998.

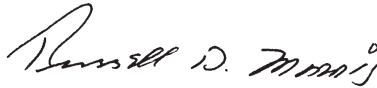
5. SUPPLEMENTARY INFORMATION

The rate reflects the current value of funds to the Treasury in Federal cash management and is based on investment rates set for purposes of Public Law 95-147, 91 Stat. 1227. The rate is computed each year by averaging investment rates for the 12-month period ending every September. The rate then goes into effect January 1. It is subject to quarterly revisions if the annual average, on the moving basis, changes by 2 percent. The rate in effect for calendar year 1998 reflects the average investment rates for the 12-month period that ended September 30, 1997.

6. INQUIRIES

Any questions concerning this bulletin should be directed to:

Program Compliance & Evaluation Division
Financial Management Service
Department of the Treasury
LCB, Room 400B
401 14th Street, SW.
Washington, DC 20227
(Telephone 202-874-6630)

A handwritten signature in cursive script, reading "Russell D. Morris".

Date: December 4, 1997

Russell D. Morris
Commissioner